

SEPTEMBER, 2001
YOUTH QUESTION AND ANSWERS

1. Is Social Security Disability considered countable income?

Yes, Social Security Disability IS includable income, because it is based on disability, not income. Supplemental Security Income (SSI) is EXCLUDABLE because it is income-based. With these two terms looking so much alike, they are often confused.

2. Please explain administrative cost in relation to the Jobs for America's Graduates (JAG) Contracts. It is my understanding that the Governor's Discretionary Funds are program funds, therefore do we have to show administrative cost and are there any limitations I should know about?

(1) All funding provided through the Governor's Discretionary fund to an LWIA is considered to be "program" costs, there are no "administrative" funds that accompany them. Therefore, any LWIA administrative functions related to the administration of the Governor's Discretionary funds (i.e., staff time for preparing RFP's, reviewing proposals, paying subcontractor invoices) must be charged to the LWIA's administrative pool from their formula grants. If the LWIA does not have sufficient formula pool funding to cover the administrative costs related to the Governor's Discretionary funds, contact DTR for assistance.

*(2) All Governor's Discretionary funds awarded to a LWIA subcontractor should be charged as "program" costs on the LWIA's books [see WIA regulations at 20 CRF 667.220 (c)(4)]. As a **best practice**, when a RFP is issued for the Governor's Discretionary funds or for any funding source that does not have administrative funds attached to it, it is recommended that the RFP request the proposals to be sent in with the budget depicting how much of the project's costs are for WIA defined administrative costs versus "program" costs. Although the LWIA will classify all the costs incurred by the subcontractor as "program" on their books, you should ensure that the subcontractor is not planning to incur an extraordinary amount of the project's overall costs on administrative functions. Also, your local board may have set limits on the amount of administrative costs that subcontractors are allowed to incur and your proposal review criteria may award additional points to a subcontractor whose proposal will administer the project in the most cost efficient manner.*

3. If a participant is completed out and met goal set by a contractor and pending termination, can they be re-tested and if needs are shown can additional services be offered by another contractor?

The participant's ISS will determine if additional services can be provided. If the ISS documents that the individual has completed one or more goals, but is still in need of additional services to attain their overall goal/objective, they can be served by more than one contractor to accomplish them, as long as there is not a duplication of services.

4. Explain vendor agreements for youth. Does it require an official procurement process and how would this meet the ten required elements listed in the law and regs?

You can do off-the-shelf-cost, individual/vendor agreements as done in the JTPA days without procuring. That means if a school is charging WIA the same cost as people on the street (off-the-shelf costs), you can write an individual or vendor agreement. If the cost is not the same, then you would have to go through a procurement process. Just make sure you document the off-the-shelf costs with a copy of their catalog listing prices, etc.

*One vendor does not have to **provide** all ten elements. They must ensure the elements are available, whether they provide them, or a referral system is in place, for the number of elements specified in their agreement/contract. You may have a contractor that only provides one element (occupational skills), or you may contract for all ten elements, whichever best meets the needs in your area.*

5. Can subcontractors pay for fees attached to providing some of the ten elements their youth need (for example a leadership development activity or alternative school in another county)? The subcontractor's budget includes line items such as personnel costs, travel, supplies, equipment, support services, etc. but nothing that would include these fees. Should a separate line item be built into the contract? Are they allowable costs?

Build those costs into the contract, but would suggest there be oversight of those costs. The contractor should determine if the fee-for-service agencies are the only ones in the areas that could provide the service or is this just the most convenient?